

## A review: Farm sector grows as GDP contracts for first time in India

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ARTICLE ID:010

### Abstract

The agricultural sector is one of the most important industries in the Indian economy, which means that it is also a major employer. About 60 percent of the Indian population is employed in the sector, contributing about 18 percent of India's GDP. The farm sector is still growing, but it is not enough to pull off a recession from the first quarter of this fund. The NSO estimated agricultural growth in the last quarter based on production during the rabies season that ended in June 2020. With rainfall in the southwest rainfall is 9.8 percent higher than normal in mid-June and the calories increase 8.6 percent higher than last year - the chances of a developing 'Lina Nina' growing well in a future rabies plant agricultural growth should be buoyant in other currencies as well. This, even though the average GDP growth for 2020-21 is expected to be negative, is unprecedented.

### Introduction

India's GDP registered at -5.2% in 1979-80. In the same year, agricultural growth was 012%. Similar reductions have been seen in previous reductions. In 1957-58, GDP growth of -1.2% and agricultural growth of -4.5%. In 1965-66, GDP growth was -3.7% and agricultural growth was -ve 11%. The first quarter of 2020-21 (April-March) may be different. India's growth fortune is tied to agriculture. All years of GDP cuts, the last in 1979-80, were led by the farm sector. April-June 2020 could be the first time that the economy will slow down even though agriculture does not boost positive growth. It would be historic if this were to cover all the remaining funds. But it would not be desirable - agriculture can only support growth, not earn.

The farm sector, however, is expected to deliver good annual growth. Agricultural GDP for the first quarter includes production from the rabbi season, which ends in April-June. The Department of Agriculture has released wheat flour, chana and other rabies foods during this

period at 151.72 million tones, 5.6% higher than last year. While oilseeds (especially mustard) dropped by 3.2% to 10.49 mt, many agricultural rabies crops - from onions, tomatoes, guavas, beans and jera to mangoes, grapes and watermelons - showed an increase. Probably the only difference is the potatoes.

India's GDP from Agriculture fell to 4546.58 INR Billion in the second quarter of 2020 from 5306.26 INR Billion in the first quarter of 2020.

### **Challenges faced by Agriculture sector in India**

- **Farm Holdings:** About 50% of the population works in agriculture in India. However, as farmland is divided among family members, farm size is half of what it was 40 years ago.
- **Irrigation:** Most farmland is still under unsustainable farm practices such as pumping, flooding that drains water.
- **Subsidies:** Government subsidies to farmers increased eightfold between 1990-91 and 2006-07.
- Although fruits and vegetables contain only 13.6% of total production, contributing to 30% of post-harvest losses due to lack of cold storage.
- About 60% of India's agricultural lands are at risk due to poor manure, nutrient deficiencies and poor planting patterns.

### **India's Agricultural Target**

India is on track to double the farmers' income by 2022. A recent APEDA report suggests that India has the highest chance of achieving an export target of USD 60 billion by 2022. As a result of the agricultural export policy this has improved communication between the Department of Trade and the Department of Agriculture.

#### **Agricultural schemes in India**

1. Soil Health Card Scheme
2. Pradhan Mantri Fasal Bima Yojana (PMFBY)
3. Neem Coated Urea (NCU)
4. Radhan Mantri Krishi Sinchai Yojana (PMKSY)

5. Paramparagat Krishi Vikas Yojana (PKVY)
6. National Agriculture Market (e-NAM)
7. Micro Irrigation Fund (MIF)
8. Agriculture Contingency Plan
9. Rainfed Area Development Programme (RADP)
10. National Watershed Development Project for Rainfed Areas (NWDPRRA)
11. National Mission for Sustainable Agriculture (NMSA)
12. Livestock insurance Scheme
13. National Scheme on Welfare of Fishermen
14. Scheme on Fisheries Training and Extension

### **Conclusion:**

Overall, the agricultural sector would have grown at least 3-4% in real terms in the first quarter of 2020-21, just as GDP as a whole could have reached a double digit agreement. For farmers, however, agricultural growth in terms of, after adding inflation, is what matters. It is estimated that India's agricultural sector accounts for only 14 percent of the country's economy but 42 percent of total employment. With about 55 percent of India's arable land dependent on rainfall, rainfall during the rainy season is crucial to economic activity.